(a) whether India will have to face a grim situation in international trade when WTO (World Trade Organisation) agreements are implemented;

(b) whether prices of many commodities have started falling because our products are not cost effective in international market; and

(c) what steps Government are contemplating to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) The WTO agreements have been in force since 1.1.1995 and India has already implemented all its commitments under the World Trade Organisation (WTO) agreements except some commitments in area of intellectual property rights,for which the relevant bills have already been introduced in the Parliament. In the area of agriculture, India has no specific commitments as the domestic support extended by India is well below *de minimis*. Implementation of their commitments under WTO, agreements by the other members of WTO will, *inter-alia* provide an increase market access to India fot its expots. Being a member of WTO, India is automatically entitled to get Most Favoured Nation Treatment (MFNT) and National Treatment for its exports by other member countries.

(b) and (c) The prices of commodities depend on various macro-economic factors including demand and supply factors. The demand for a commodity in turn is dependent on the consumer preferences and their purchasing power from time to time. It will thus, not be correct to attribute in general the decline in commodity prices to any one factor such as lack of cost effectiveness of Indian products in the international markets. Government have put in place a suitable mechanism for monitoring the import of sensitive items and are committed to provide adequate protection to the domestic producers by resorting to various WTO compatible measures which include appropriate calibration of applied tariffs within the bound tariffs, anti-dumping and safeguard actions as well as imposition of countervailing duties under specified circumstances as provided in various WTO agreements.

FDI in power trading

2577. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have any proposal to allow 100 per cent foreign direct investment in power trading through the automatic route;

(b) if so, whether this is a part of Government's over-all strategy to

liberalise FDI regime and revive foreign investors's confidence in the country;

(c) whether this proposal mooted by the Indian industry has been forwarded to both the Power and Finance Minister for their consent; and

(d) if so, by what time a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (d) As per the current policy Foreign Direct Investment (FDI) upto 100% is permitted in generation, transmission and distribution of electric energy in atomic power plants. At present, FDI is not permissible in power trading. Government constantly reviews the role of foreign investment with the objective of further refining it and enhancing India's attractiveness as an investment destination and also to supplement the domestic investment as per sector specific requirements. Any further liberalisation in the sector-specific FDI policy is formulated in consultation with and based on the recommendation of the concerned administrative Ministries.

Share of agricultural produce out of total imports

2578. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that farmers in country are feeling agitated over lifting of quantitative restrictions on imports of agricultural produce, as reported in the Hindustan Times dated 24th February, 2001;

(b) whether actual import of agricultural produce had come down from Rs. 12,058 crore in 1998-99 to Rs. 11,510 crore in 1999-2000 and also percentage share of farm imports out of total imports came down from 7.05 per cent in 1998-99 to 5.63 per cent in 1999-2000; and

(c) what remedial steps Government have taken to allay farmers' fear under WTO regime as Indian farm products are not globally competitive?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) to (c) Government's attention has been drawn to the news report which appeared in the Hindustan Times dated 24.02.2001, regarding apprehensions of farming community about the likely impact of removal of import restrictions on agricultural products.

As per provisional import data available with the Government, it is a fact